

TAX FACTS

LOCAL OPTION INCOME TAXES

County Adjusted Gross Income Tax

- Total CY 02 distributions- \$406.0 million.
- Number of counties adopting (as of 7/1/02): 53.
- Purpose: Property tax replacement credits, Certified Shares (Jackson and Pulaski counties may use revenue in excess of 1% for local jails, juvenile centers and justice centers).

County Option Income Tax

- Total CY 02 distributions- \$550.0 million.
- Number of Counties adopting (as of 7/1/02): 26
- Purpose: Distributive shares for general purposes, additional homestead credits.
- Units receiving revenue: Civil taxing units.

County Economic Development Income Tax

- Total CY 02 distributions- \$204.5 million.
- Number of counties adopting (as of 7/1/02): 60.
- Purpose: Economic development projects.

County Wheel Tax/Excise Surtax

- Total combined CY collections- \$29.2 million
- Number of counties adopting: 24.
- Purpose: To construct, reconstruct, repair or maintain streets and roads.
- Rates: Surtax- Not less than 2% nor more than 10% with a minimum of \$7.50 per vehicle. Wheel Tax - No less than \$5 or more than \$40 for any class of vehicle.



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TAX FACTS



Distributed by
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TAX FACTS

State General Fund/PTRF Budget -- FY03

(Millions of \$)

	<u>Dollars</u>	<u>% of Total</u>
K-12 Education*	\$4,774.5	44.0%
Higher Education	\$1,411.1	13.0
Medicaid	\$1,298.8	12.0
PTR, Homestead credits, Dist	\$1,090.2	10.1
Corrections	\$569.0	5.2
Family & Children, Social Service	502.7	4.6
Mental & Public Health	352.7	3.3
General Government	301.3	2.8
Capital	211.9	2.0
Other Public Safety	112.3	1.0
Conservation & Environment	96.5	0.9
Transportation& Econ. Development	88.4	0.8
General Assembly & Legislative Services	34.0	0.3
TOTAL	\$10,843.4	100.0%

*Includes one-half year of state paid general fund PTRC @ 60%

MAJOR STATE TAXES

Sales Tax

- One percent raised about \$752.3 million for FY 02.
- Current rate: 5% (**6% effective 12/1/02**)
- Distribution (**Effective 1/1/03**): 50% -Property Tax Replacement Fund, 49.192%-General Fund, 0.635%- Public Mass Transportation Fund, 0.033% - Industrial Rail Service Loan Fund and 0.14% - Commuter Rail Service Fund.

Individual Income Tax

- One percent increases raised about \$1,041.4 million for FY 02.
- Current rate: 3.4%.
- Base: Individual, Partnership, S-Corp, Trust.
- Distribution: (Effective 1/1/03) 86% to the State General Fund, 14% to the PTRF.

TAX FACTS

Cigarette/Tobacco Tax

- \$0.01 on tobacco raises about \$7.3 million.
- Current rate: \$0.555/pack (20 cigarettes); 18% other tobacco products.
- Base: Pack of 20 cigarettes. Other tobacco products 18% of wholesale (**Inc. from 15% effective 7/1/02**)
- Distribution: 6.6% Cigarette Tax Fund; .94% Mental Health; 83.97 % General Fund; 8.49% Pension Relief Fund.

Alcoholic Beverage Tax

- FY 02 actual: \$37.5 million
- Tax rates per gallon: Beer- \$.115, Liquor/wine with 21% or more alcohol- \$2.68, wine and mixed beverages- \$.47.
- Base: Alcoholic beverages sold by beer, wine and liquor wholesalers and wineries.
- Distribution: Approximately 41%- Post War Construction Fund, 36%- State General Fund, 8%- Pension Relief Fund; 5%- Enforcement & Administration Addiction Service Fund; 2% - Wine and Grape Market Development Fund.

Gasoline Tax

- \$0.01 on gas raises about \$32.0 million in FY 02.
- Current rate: \$0.18.
- Distribution: (**Effective 1/1/03**) \$.02- State Highway Road Construction Improvement Fund, \$.01- cities, towns & counties, \$25,000,000-40% INDOT, 60% cities, towns & counties, Remaining revenue- 75% Motor Vehicle Highway Fund, 25% Highway Road & Street Fund.

Special Fuel Tax

- FY 02 actual: \$170.3 million
- Current Rate: \$0.16 per gallon.
- 1 cent raised about 10.6 million
- Distribution: First \$25,000,000 - 40% INDOT, 60% cities towns & counties, Remaining Revenue- 75% Motor Vehicle Highway Fund; 25% Highway Road & Street Fund.

TAX FACTS

Riverboat Wagering Tax

- FY 02 actual: \$38.8 million
- Current Rate: (**Effective with Dockside 7/02**) Graduated tax ranges from 15% of the 1st \$25 million in AGR to 35% of AGR in excess of \$150 million.
- Distribution: 1st \$33 million set aside for revenue sharing for non-Riverboat counties, 25% (not to exceed the FY 02 Base Amount) - Riverboat cities/counties, 75% (plus amounts in excess of the city-county FY 02 Base) - Property Tax Replacement Fund.

Inheritance Tax

- FY 02 actual: \$141.9 million
- Current Rates: Variable depending on class of transferee & taxable value of property.
- Distribution: 92% - State General Fund, 8%- collecting county.

Corporate Adjusted Gross Income

- FY 02 actual: \$105.9 million
- Current Rate: 8.5% (**Increased to 8.5% effective 1/1/03**)
- Base: Federal taxable income with modifications for all corporations doing business in Indiana
- Distribution: (Effective 1/1/03) 100% to State General Fund.

Financial Institutions Tax (FIT)

- FY02 revenue raised: \$63.7 milion.
- Current rate: 8.5%.
- Base: Apportioned Adjusted Gross Income of financial institutions less deductions.
- Distribution: local taxing units by formula, balance- State General Fund.

Insurance Premium Tax

- FY 02 actual: \$176.2 million.
- Rates 2002- 1.8%, 2003-1.7%, 2004-1.5%, 2005- 1.3%.
- Base: Gross premiums (less certain reductions) received on policies by companies not organized in Indiana and domestics that elect to pay the tax.
- Distribution: State General Fund.